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PRESIDENT'S MESSAGE

WASHINGTON, December 2, 1873 .- The following is a copy of the president's message, as read to the Senate and House of ing out acts committed against their

INTRODUCTION. To the Senate and House of Representa-

The year that has past since the submission of my last message to congress has, especially the latter part of it, been an eventful one to the country. In the midst of great national prosperity, a financial crisis has occurred that has brought low fortunes of great proportions; political partisanship has almost ceased to exist, especially in the agricultural regions; and finally the capture upon the high seas of a

VESSEL BEARING OUR FLAG

has for a time threatened the most se rious consequences, and has excited the public mind from one end of the country to the other. But this, happily, is now in the course of satisfactory adjustment, honorable to both nations concerned. The relations of the United States, however, with most of the other nations continue to be friendly and cordial. With France, Germany, Russia, Italy, and the other minor European powers; Brazil and most of the South American regulies, and with Japan nothing has occurred during the year to demand special notice. The correspondence between the department of state and various diplomatic representatives in or from these countries, is transmitted herewith.

THE VIENNA EXPOSITION.

In executing the will of congress as expressed in its joint resolution of the 14th of February last, and in accordance with the provisions of the resolation, a number of the principal arti- has been appressed of the sense that sans of scientific men and of honoary commissions were authorized to attend the exposition at Vienna as commissioners on the part of the United States. It is believed that we have obtained the object which Congress had in view when it passed the joint of its obligations under that constituresolution, in order to enable the people of the United States to participate in the advantages of international exhibition of the products of agriculture, manufactures and the fine arts to be held at Vienna. I take pleasure in The expidency of forbearance on our have received a gratifying number of diplomas and medals. During the exhibition a conference was held at Vion the systems prevailing in different countries, for the perfections of inven-tions. I authorized a representative from the patent office to be present at Vienna at the time when the conference was to take place, in order to aid as far as he might in securing any possible additional protection to American

CHINA. It is my pleasant duty to announce to congress that the emperor of China, on obtaining his majority, received the diplomatic representatives of the western powers in person. An account of these ceromonies, and of the interesting discussions which preceded, will be found in the accompanying documents transmitted herewith. The accompanying papers show that some advance, although slight, has been made during the past year towards the sup-pression of the influence China Cooling trade. 1 recommend Congress to enquire whether additional legislation be not needed on this subject.

THE GENEVA AWARD.

The money awarded to us by the tribunal of arbitration at Geneva, was paid by her majesty's government a few days in advance of the time when it would have became payable, seconding to the terms of the treaty. In compliance with the provision of the act of March 3d, 1873, it was at once paid into the treasury, and used to redeem, so far as it might, the public debt of the United States, and the amount so redeemed was invested in a five per cent. registered bond of the United States, for fifteen millions five hundred thousand dollars, which is now held by the secretary of state, subject to the future disposition of Congress.

ALABAMA AND SHANNADOAU CLAIMS. I renew my recommendations made at the assembling of the last session of Cougress, that a commission be created for the purpose of auditing and determining the amounts of the several claims growing out of the destruction of vessels and their car, 'oes by the Alabama and Shanrandoah after leaving Melbourn, for which the sufferers have received no equivolant or compensation, and ascertaining the names of persons entitled to receive compensation for same, making the computation on the same, making the computation on the denarrosakura

ary line between the territory of Great Britain, as was left incompleted by the commissioners appointed under the ted States has been determined, and marked in accordance with the award of the emperor of Germany. A proctocal and a copy of a map on which the line was thus marked, are conveyed on a paper submitted here, and also trans-mit a copy of the report of the commissioner for making the boundary between the United States and the British possessions west of the Lake of the Woods. Of the operations of commissioners during the past session, surveys have been made to a point forty-nine miles west of the Lake of the Woods, leaving about three hundred and fifty miles to be survered, the field work of which can be completed during next season. The commission organized under the provisions of the treaty of Washington for settlement, and determining the claims of citizens of either power against the other, claus-Representatives in joint convention to-day:

person or property during the period between April 13th, 1861, and April 9th, 1865, made its final award on the 23d of September last. It was awarded that the government of the United States should pay to the government of her Brittanic Majesty, within twelve months from the date of the award, the sum of \$129,819 in gold. The commission disallowed or dismissed all other claims of British subjects against the United States. The amount of the claims presented by the British government, but disallowed or dismissed, is understood to be about \$9,300,000. It also disallowed all the claims of the United States against Great Britain. I recommend the passage of an act appropriating an amount necessary to pay this award against the

United States. I have caused to be communicated to the government of the king of Italy, the thanks of this government for their eminent services rendered by Count Conti, as third commissioner on this

commission. The distinguished representatives of her Brittinie majesty at Washington has kindly consented, with approval of his government, to assume the arduous and responsible duties of umpire in the commission, and to lend the might of his character and name to such; decission as may not receive the acquisence of both the arbitrotors appointed by the respective govern-ments. The commission appointed is subject to the authority of Congress, to examine into the nature and extent of the forages by trespassers from that country upon the heards of Texas.

THE VENEZEULA GOVERNMENT joint commission under the constitution of the 25th of April, 1866, as expressed in the act of 25th of February last. It is apprehended that the government does not realize the character tion, as there is reason to beleive. However its hesitancy in recognizing, a part at least, from the real difficulty in discharging them in connection with its obligations to other governments. adding that the American exhibitors part, is beleived to be work for your consideration.

The Ottoman government and that of Egypt have latterly shown a dispocans for the purpose of consultation sition to relieve foreign counsels of the judicial powers, which, heretofore they have exercised in the British dominions, by organizing other tribunals. As Congress, however, has by law provided for the discharge of judicial functions by consuls of the United States in that quarter, under the treaty of 1830, I have not felt at liberty forminventors in Europe. The report of ally, to accept the present charge with-the agent will be laid before Congress, out the assent of Congress, whose decision upon subjects at legislation to create a special court to consent of their judges who shall be empowered to hear and determine all claims made upon the United States arising out acts committed against her person or property, during insurrection. The recent conferrence under the treaty of Washington was confined to claims of British subjects, arising during the period named in the treaty, but it is understood there are other British claims of claims also examined and disposed of.

Official information being received from the Dutch government of a state to the mother country is exhausting the of war between the king Netheatands and the Sultan of Achecen. The officers of the United States who were observe an unpartial neutrality. It is it believed that they have done so.

THE JOINT COMMISSION under the convention with Mexico, in 1865, having again been legally prolonged, has resumed its business which it is hoped may be brought to an early conclusion.

SANTI DOMINGO. As early a period as may be convenient is requested to transmit for the considera-tion of congress the application of Santi Domingo to this government to exercise proctecterate over that republic.

TREATIRS WITH FOREIGN POWERS. Since the adjournment of Congress the ollowing treaties with foreign have been proclaimed : A naturalization convention with Denmarck; & conven tion with Mexico for resuming the claims commission; a convention of friendship of commerce and extradition with th range of free states, and a naturalization convention with Equador.

with Great Britian, was applicable mitted when received. In thing to to American citizens. Congress then this subject for the present, I wish to reany declaration, instruction, order or dewhich donles restricts, impairs or ques-tions the right of expetiation, is incomis-tent with the fundamental principles of this government. But Congress did not enact in that statue, nor has it since done so, what acts may deemed the work of expatriation. My own guidance in delivering such questions required under the provisions of Congress, is the opinion in writing of the principle officers in each of the executive departments upon certain questions relating to this subject and the questions relating to this subject, and the result satisfies me that further legislation is necessary. I therefore commend the subject to the consideration of Congress and I transmit herewith copies of several opinions of the principle officers of the ex-

ecutive departments, together with other correspondence and prominent information on the same subject.

The United States who led the way in the overthrow of feudal allegiance, are among the last to indicate how their own citizens may elect another nationality. The papers submitted herowith indicate what is necessary to place us on a par with other leading nations in liberty and legislation on this international question.

We have already in our treaties assented to principles which would need to be embodied in the laws intended to accomplish the results.

CITIZENSHIP. We have agreed that citizens of the United States may cease to be citizens and may voluntarily render allegiance to other powers; we have agreed that resi-dence in a foreign land, without intent to return, shall itself wish explanation; we have agreed upon the length of time ne-cessary for such intent. I invite Congress to mark out and define when their expla-nation can be accomplished; to regulate by law the condition of American women narrying foreigners; for the status of children born in foreign countries of American parents residing more or less abroad, and fix rules for determing such

THE SPANISH REPUBLIC. In compliance with the request of Con gress, I transmitted to the American min-ister at Madrid with instructions to present it to the Spanish government, the joint resolutions approved on the 3d of March last, tendering to the people of Spain in the name and on be-half of the American people, the congrattion of Congress on the efforts to consolidate in Spain the principles of universal liberty, in a republican form of government. In the existence of this view, the republic was inaugurated by striking the fetters from the slaves in Porto Rico, and this benificent measure was followed by the release of several thousand persons illegally held as slaves in Cuba; and next the captain-general of that colony was relieved of the power to set aside the orders of his superior at Madrid, which had pertained to his office since 1825, the sequestered estates of American citizens, which had been the cause of long and frequent correspondency, were ordered to be restored to their owners. All these iberal steps, taken in the face of violent opposition directed by the reactionary slave holders of Havana, who, vainly striving to stay the march of liberal ideas. has terminated slavery in christen

CUBA ONLY EXCEPTED.

Unhappily, however, their baneful in-Suence has thus far succeeded in defeat ing the efforts of all liberal minded men in Spain to abolish slavery in Cuba, and in preventing the promised reform in that land, and the struggle for polotical supremacy continues.

THE PRO-SLAVERY ARISTOCRAT IN CUBA is gradually arraigning itself in more and more open hostility, and defiance of the homegovernment. While it still main-tains a political connection with the republic in the peninsula, and although usurping and defying the authority of the home government whenever such usurpation or defiance tends in the direction of oppression or of the maintainence of abuses, it is still a power in Madrid and recognized by the government. Thus, an element more dangerous to the continued colonial relations between Cuba and Spain than that which inspired the insurrection a simular nature arising after the 9th of April 1865, and it is known that vanced by citizens or subjects of other rivet still stronger the shackles of slavery powers. It is desirable to have these and oppression, has seized many of the emblems of power in Cubs, and under

PROPESSIONS OF LOTALTY resource of the island, and is doing acts which are at varience with those principles of justice, liberality and right, which gives nobility of character to a republic. near the seat of war, were instructed to In the hearts of humanity and of progress it is to be hoped that

THE STEAMER VIRGINIUS, was on the 26th of September 1870, duly registered at the port of New York as a part of the commercial marine of the United States. On the 4th of October 1870, leaving the certificate of her register in the usual legal form, she sailed from the port of New York and has not since been within the territorial jurisdiction of the United States. On the 31st of Octo-ber last, while sailing under the the fleg of the United States in the high ish gunboat Tornado and carried into the port of Santiago de Cuba. Many of her passengers and crew were inhumanly, and so far at least as related to those who were citizens of the United States, were

WITHOUT DUE PROCESS OF LAW.

put to death. It is a well established principle asserted by the United States from the beginning of our national independent, recognized by Great Britain and other maratine and stated by the senate in a resolution passed nanimously on the 16th of June, 1858 that American vessels on the high seas in time of peace bearing the American flag remain under the jurisdiction of the country of which they belong, and there-

not to exceed the awards of the tribunal at Geneva.

By the act approved on the 14th of February last, Congress made provisions by law for completing, jointly, with an officer or commissioner to be named by her Brittanic Majesty, the after of such families are to be designed and the united states. It determination of so much of the boundary line between the territory of Great Britania, as was left incompleted by the same as a second and the same and the part of a foreign in the country from the products of our named by her Brittanic Majesty, the same as a second and the same and the second and the survivors of her passingers and crew, and a few reparation to the flag and crew, and a few reparation to the flag and the punishment of the south. Now every laborar there receives his wages, and for the purchase of many will be ready for what-south. Now every laborar there receives and crew, and a few reparation to the flag and the punishment of the south. Now every laborar there receives his wages, and for the purchase of many will be ready for what-south. Now every laborar there receives and crew, and a few reparation to the flag and the punishment of the south from our mines be retained at home, our advance toward specie payments would from our mines be retained at home, our advance toward specie payments would thus happens that persons who never re- distinct the special payments would and the section of the south satisfactory of the suppropriations which were calculated from our mines be retained at home, our advance toward specie payments would the section of the south the country from the products of our terial, and probably the largest of all the country from the products of our terial, and probably the largest of all the country from the products of our terial, and probably the largest of all the country from the products of our terial, and probably the largest of all the country from the products of our terial, and probably the largest of all the country from the products of our terial, and probably the large never resided in the United States. It demand, and has arranged for the immethus happens that persons who never resided within the United States, have been surrender of the survivors of the passenenabled to put forward a pretention to the actions of the United States amongst and for proceedings looking to public their claim to the military service of the punishment of those who may be proved their claim to the military service of the government under whose protection they were born and have been reared. In some cases unnaturalized citizens of the United States have returned to the lend of their birth to remain there, and their childeren, the issue of a marriage contracted there, afterward return, and who have have been in the United States have laid claim to our protection, when the lapse of many years have imposed on them the duty of military service to the only government which had known them personally. Untill the year 1888 it was left embarassed by conflicting opinions of courts and jurists to determine how far the doctrine of perpetual allegiance, derived from our former colonial relations with Great Britian, was applicable to American citizens. Congress then

is the principle cause of the lamentable condition of that island. I do not doubt that the condition of that island. that Congress shares with me in the hope that it soon will be made to disappear, and that peoce and prosperity may follow its abolition. The embarging of American estates in Cuba and cruelty to American citizens, detracted no act of hostility to the Spanish government. The murdering of prisoners taken with arms in their hands, and finally the capture upon the high seas of a vessel sailing under the United States flag, and bearing a United United States flag, and bearing a united States register, terminated in an outburst of indignation, which seemed for a time to threaten war. Pending negotiations between the United States and the govern-ment of Spain on the subject of this capture, I have authorized the secretary of the navy to put our navy on war-footing to the extent at least of the entire annual appropriation for that branch of service. trusting to Congress and the public opinon of the American people to justify my

METHOD OF BLECTING PRESIDENT. Assuming from the action of the last Congress in appointing a committee on privileges and slections, to prepare and report to this Congress a constitutional amendment to provide a better method of electing the president and vice president of the United States, and also from necessity of such an amendment, that there will be submitted to our state legislatures for ratification such an improvement in our condition, I suggest two others for

your consideration : First, to authorise the executive to approve of so much of any measure, passing the two houses of Congress, as his judgment may dictate, without approv-ing the whole, the disapproved portion or portions, to be subjected to the same rules as now-to be referred back to the house in which the measure or measures originated; and if passed by two-thirds vate of other kindred points as may seem best to the two houses to become a law without Congress. to this a provision that there should be no legislation by Congress during the last twenty-four hours of its jetting, except upon votoes, in order to give the executive an opportunity to ex-amine and approve or disapprove under-

on standingly. Second to provide by amendment that legislation during the continuance of such extra session shall be confined to such subjects as the executives may bring before it from time to time in writ-

The advantages to be gained by these two amendments are obvious. One session in each year is provided for by the constitution in which there are no restrictions at to the subjects of legislation by ways in the power of congress during their term of office to provide for sessions at any time. The first of these amend-ments would protect the public against the many abuses and waste of public mones which creep into appropriation bills. and other important measures passed during the expiring hours of congress, to which due consideration cannot be given THE TREASURY.

The receipts of the government from al sources for the last fiscal year were \$333,-738,204, and the expenditures on all ac-counts were \$200,840,245, this showing an excess of receipts over expenditures of \$43,892,959. But it is not probable that this favorable exhibit will be shown for the present fiscal year. Indeed it is very doubtiul, whether, except with great economy on the part of Congress in making appropriations, and the same economy in the administration in ministering the various debts of the government, the revenues will not fall short of meeting the annual expenses, including interest on the national debt. I commend to congress such economy, and point out two sources where it seems to me it might commence, to-wit:

WHERE TO ECONOMIZE. in appropriations to public buildings in the many cities where the work has not been communced; in the appropriations for river and harbor improvements in those localities where the improvements are of but little benefit to general com-I will point out latter in this message. I refere to the easy method of manufacturing claims for losses incurred in the sussa-

tion of the late rebellion. PUBLIC BUILDINGS. ould not be understood as oppoint the erection of good substantial bu by the govenment, wherever such buildings are needed in fact, I approve of the government owning its own buildings in all sections of the country, and hope the day is not far distant when it will not only possess them, but erect in the capital suitable residences for all persons who now receive compensation for quarters or rent at government expense, and for the cabinot; thereby setting an example to the states which may induce them to erec buildings for their senators. But I would have this work conducted at times when the revenues of the country would abundantly justify it. The revenues have materially fallen off for the last five months of the present fiscal year from what they were expected to produce, owing to the general panic new prevailing which commenced about the middle of September last.

The full effect of this disaster, if it should not prove to be a blessing in disguise, is yet to be demonstrated. In either event it is your duty to heed the lesson and provide by wise and well-conidered legislation as far as it lies in your power against its recurrence, and to take advantage of all benefits that may have has largely increased; more than 25,000 occurred. My own judgemet is that however much individuls may have suffered, one long step has been taken to-wards specie payment, that we can never have permanent prosperity until the entire new basis is reached, and a specie until our exports, inclusive of gold, pay

cient currency is required to keep all the industries of the country employed; with-out this, national as well as individual bankruptcy must ensue. Undue inflation on the other hand, while it might give temporary relief, would only lead to inflation of prices, the impossibility of competing in our own markets for the products of home skill and labor and repeated renewals of experiences and elasticity to our speculating medium; therefore, just enough tof it to transact the legitimate business of the country and to keep all industries employed is what is most desired. The exact medium is most desired. The exact medium is of their brow. The decision of Congress specie, the recognized medium of exchange the world over; that obtained, we port of the executive. change the world over; that obtained, we shall have a currency of an efact degree of elasticity; if there be too much of it for the legitimate purposes of trade and commerce it will flow out of the country, if too little the reverse will result to hold what we have and appreciate our currency. That standard is a real of the same and abundance of fraints. sult to hold what we have and appreciate our currency. That standard is a problem deserving of the most serious consideration of Congress. The experience of the present panic has shown that the currency of the country, based as it is on the credit of the country, is the best that has ever been devised. Usually in times of such trials currency has because worthless, or so much depreciated in value as to inflate the values of all the necessaries of life as compared with the currency and riences of a like nature. It is patent to the most casual observer that much more currency or money is required to transact the legitimate trade of the country during the fall and winter when the vast crops are being removed, than during the balance of the year. With our present system the amount in the country remains the same throughout the year, resulting in the accumulation of all the surplus capital of the surp tal of the country when not employed in the moving of crops, and temp-ted there by offers loans. Being paid, this surplus espitals must earn this interest. Paid with a profit

being subject to call, it cannot be loaned only in part, at best, to the merchant or manufacturer for a fixed term. Hence no matter how much currency there may be in the country, it would be absorbed, prices keeping pace with the volume, and panies, strangency and disasters would ever be occurring, with the elasticity in our money system. There is the object to statement to pladge these states that if be obtained first ; and next as far as they will open these canals for the passage possible, a prevention of the use of money in stocks and other species of speculation. To prevent the latter it seems to me, that one great step would be taken by prohibiting the national banks from paying interest on deposits, by requiring them to hold reserves in their own vaults, and by forcing them into resumption, though it would be market to the consumers in the East in only in legal tender notes. For this giving them cheaper delivery of those articles of food which do not inent of clearing houses for your consideration. To secure the former many plans have been suggested, most of which look to me like inflation on one I submit this subject to you, therefore, when an extra session of congress is conon the other to pay interest without corresponding benefits upon the surplus funds of the country during the seasons when otherwise unimployed. I submit for your consideration whether this fit out a naval vessel to

difficulty might not be overcome by authorizing the secretary of the treasury to issue at any time nominal banks of issue, any amount of their notes below a first percentage of their issue, say forty per cent upon the banks depositing with the treasury of the United States, an amount of government bonds equal to the amount of notes demanded of the banks to forfeit to the government, say four per cent on the interest accruing on the bonds pledged, during the time they remain with the treasury, as security for in-crease of circulation. The bonds so pledged to be redeemable by the banks at their pleasure, either in whole or in part, by returning their own bills for collection to an amount equal to the

face of the bonds withdrawn. I would further suggest for your consideration the propriety of authoriz-ing the national banks to diminish their standing issue at pleasure, by return-ing for collection their own bills and withdrawing so many United States bonds as are pledged for the bills returned. In view of the great actual contraction that has taken place in the currency and the comparative contraction constantly going on, due to the increase of speculation, increase of manufacturers and all the industries, I do not beleive there is too much of it for the dullest period of the year. Indeed if olearing houses should be established thus forcing redemption, it is a quesshould not be made free, retaining all safe guards now required to secure bill nolders in any modification of the present laws regulating national banks and a further step towards paying for the resumption of specie payment. I inof the propriety of exacting from them the retention as a part of their reserve, either a whole or a part of the gold interest accuring upon the bonds pledged as security for their issue. I have not reflected enough on the bearing this might have in producing a scarcity of coin with which to pay duties on imports, to give it my positive recommendation, but your attention is invited to the subject. During the last four years the currency has been conracted directly by the withdrawal of three per cent compound interest notes and government bonds outstanding on the 4th of March, 1869, all of which took the place of legal tenders in the bank reserves to the amount of sixtythree million dollars. During the same period there has been a much larger comparative contraction of the currency, the population of the country

niles of railroad have been built, requir-

ing the active use of capital to operate

them; millions of acres of land have

been opened to cultivation, requiring

capital to move the products; manufac-

tures have multiplied beyond all pre-

cedent in the same period of time, re-

without any recommendation that they shall be adopted literally, but hoping that the best method may be arrived at to secure such a lasticity of the currency as will keep employed all the industries of the country and prevent such an inflation as will put off indefinitely the

BESUMPTION OF SPECIE PAYMENT, in object devotedly to be wished for by all, and by none more carnestly than that class of people most directly interested— those who carn their bread by the awest

life as compared with the currency, and vessels for the transportation of our sur every one holding it has been envious to plus products to a market thus increased, dispose of it on any terms. Now we witness the reverse. Holders of currency hoard it as they did gold in former expeamount. The subject is one worthy of your serious consideration. Cheap trans-portation is a subject that has attracted the attention of both producers and consumers for the past few years, and has contributed to, if it has not been the direct cause of the recent panic and strin-gency; and congress at its last session ap-pointed a special committee to investigate this whole subject during the vacation and report at this session, I have nothing to recommend until the report in ready. There is one work, however, of a national character, in which the greater portion of the east and west and north and sou are equally interested, to which I will in-

vite your attention.
The state of New York has a canal. connecting Lake Erie with tide water on the Hudson river. The state of Illinois has similar connecting Lake Michigan with the navigable waters of the Illinois river, thus making water communication inland between the East West and South. These great artificis

merce and carrying trade, I have bereto-fore called attention to states south of the much might be accomplished to further this object. I suggest that a small appro priation be made accompanied authority for the secretary of the navy to

ASCEND THE AMAZON RIVER from the mouth of the Maderia, thence to explore that river to its tributaries, into Bolivia, and to report to Congress at its

next session, or as soon as practicable, the accessibility of the country by water, its resources and the population so reached. Such an exploration will cost but little, it can do no harm and may result in estabwill cost but little, it lishing a trade of value to both nations. In further connection with the treasury department, I would recommend revision and codification of the tariff laws, and

THE OPENING OF MORE MINTS for coining money, with authority to coin for such nations as may apply.

THE WAR DEPARTMENT. The attention of Congress is inited to the recommendations in the report of the sec-retary of war, herewith submitted. The apparent great cost of supporting the academy, as fully explained in the repert, will receive your attention. While initing your great attention to all the commendations by the secretary of war, there are two which I especially invite you to consider. First, the importance of preparing for war in time of peace by proiding proper armament for our see coast defense. Proper armament is of vastly more importance than fortifications. The latter can be supplied very speetfor temporary purpose led. The former can needed. not. The second is the necessity of reopening promotion in the staff corps of the army Particularly is this necessity felt in the medical and ordnance departments. At this time it is conserved to employ con-tract surgeons to supply the necessary medical attention required by the army. With the present force of the pay depart-ment it is nowdifficult to make the payment to troops provided by law. Long delays in payments are productive of desertion and demoralization, and the law prohibits the payment of troops by other than regular army paymasters. There are n sixteen vacancies in the ordnance department, thus leaving that branch of the service without sufficient officers to conduct the business of the different arsenals on a large scale if even necessary.

THE NAVL DEPATMENT. During the past year the navy has been reduced by the sale of some vessels no longer fit for naval purposes, and by the recommendation of others not yet disposed of. This however has been more than compensated, for by the repair of six of the old wooden ships, and by the building of eight new sloops of war, authorized by the last congress, (the building of these latter had appeared at a doubly fortunate time). They are about being completed, when they will possibly be much needed and the work upon them has not only given employment to thous-ands of men, but has no doubt been the means of keeping open establishments for other works at the time of the great the waters of the Carribean sea, almost on our very sea-board, while they illustrate most forcibly the necessity always existing, that a nation situated as ours is should maintain in a state of most forcibly the necessity always existing, that a nation situated as ours is should
maintain in a state of efficiency, a navy,
adequate to its responsibility, has at the
same time determined that all
the effective force, we really
have shall be put in immediate readiness
for war-like sevices. This has been and
hains done promptly and effectually

gress will, I doubt not, understand and appreciate the emergency, and will provide adequately, not only for the present preparations, but for the future maintenance of our naval forms, The secretary of the navy has during the past year been quietly putting some of our most exten-sive monitors in readiness for service, and this exigency finds us in a much better condition for work than we could possibly have been without his action.

THE POST-OFFICE DEPARMENT. A complete exhibit of the report presented by the postmaster general of the operation of the post-office department during the year. The ordinary postal revenues for the fiscal year ended June 30, 1873, amounted to \$2,299,674,15, and the expenditures of all kinds \$2,008,498,567. The increase of revenues since 1872 was \$108,121,52 and the increase in exwas \$105,131,52, and the increase in ex-penditures \$24,657,33. Independent of payments made from special appointments building and recommended such legislation as would secure to us our proportion
of the carrying trade, stimulated by high
rates and abundance of freight. The
progress in ship building for the last year
has been very satisfactory. There has
been an increase of about three per cent,
in the amount transported in American
vessels over last year, with the
reduced cost of material, which has
taken place, it may reasonably
he hoped this charge would be maintained
and ever increased. However, as we pay
about \$80,000,000 per annum to foreign
yessels for the transportation of our surplus products to a market thus increased,
the balance of trade is against us to this
amount. The subject is one worthy of
your serious/consideration. Cheap transportation is a subject that total length of the railroad man road the close of the year was 6,345,770, an increase 5,566 miles during the year 1872. crease 5,566 miles during the year 1872.

Fifty-nine railroad post-office lines were in operation on the 30th of June, 1874, extending over 14,866 miles of railroad routes, and performing an aggregate service of 64,925 miles. The number of letters exchanged with foreign countries was 27,459,185, an increase of 3,996,675 over the previous year; the postage amounted to 27,021,310 86. Total weight of correspondence exchanged in mails with Europe exceeded 912 tons, an increase of 92 tons over that of previous year. The total cost of United States ocean mail steamship service, including \$725,000 paid from special appropriation to subsidized lines of mail steamers, was \$104,127,135. New or additional postal connections, have been concluded with Sweden, Norway, Belgium, Germany, Canada and Japan, Belgium, Germany, Canada and Japan, reducing the postal rates on correspon-dence exchanged between these countries. Ineffectual efforts have been made to con-clude a satisfactory consideration with France, but without success. I invite the favorable consideration of Congress to the suggestions and recommendations of the postmaster general, for an extension of the office delivery system in all cities not less than ten thousand.

THE PERPATMENT POSTAGE

on newspapers and other printed matter of 2nd class for uniform postage limit of weight of miscallaneous matter for adjusting compensation of all post masters appointed by the president, by the old method of commissions or actual receipts of efficers inside of the present mode of fixing the salary in advance of mode of fixing the salary in advance of special returns, and especially do I urg favorably the action by congress on the recommendation of post-master generator the establishment of the United States postal saving depository. Your attention also called to a consideration of t postal telegraph, and the arguments duced in support thereof, in the hope t you may take such action in considerati therewith as in your judgment will me contribute to the best interests of the

The department of justice in the affa in Utab require your early and special tention. The supreme court of the Unit States in the case of Clinton vs. Eng brecht, decided that the United marshal of that territory could not is fully summon jurors for district coul All proceedings at law are practica abolished by those decisions, and th have been but few or no jury trials in district courts of that territory since last session of congress. Property is without protection by the courts, crimes go unpunished. To prevent ric there, it is absolutely necessary (
Congress provides the courts some mode of obtaining jurors. I rec
mend legislation to that end, also pro courts of the territory do now assum pue, and to lay criminal cases and in tions as to land titles be denied all diction not possessed ordinarilly by co of that description. I have became pressed with the belief that the ac proved March 22, 1887, entitled "An to establish a uniform system of b ruptcy throughout the United States productive of more evil than good at time. Many censiderations migh arged for its total repeal, but if this i considered advisable, I think it will be seriously questioned that portions of said act prov for what is called involuntary bank cy operate to increase financial emba ment of the country. Careful and ent men very often become involved by in the transaction of business though they may possess ample proj if it could be made available for the pose and meet all liabilities, and y ecount of the extraordinary scare money, they may be unable to me obligations as they become due, in juence of which they are liable to be rated in business proceedings. In ruptcy, at the instance of unrely creditors, people are not so easily al as to money matters that the mere f of a petition in bankruptcy by relenting creditor will embarrass oftentimes accomplish the fir uin of a responsible but near those who etherwise might lawful and just arrangments to re themselves from difficulties brough by the present stringency in mone presented with this constant exp of attack and disappointment by ping against those in bankruptcy, side, the law is made use of in man by obdurate creditors to frighter or force debtors into a compliance their wishes and into acts of injus other creditors and to themselves. ommend that so much of said act vides for involuntary bankrupteys

repealed.

Your careful attention is invited, subject of claims and the facilities by existing laws for their pros-n each of the departmen for many millions of dollars upon sum. Most of these grow out of bellion and are intended to incharge, on both sides, for losses persons, on both sides, for losses the war; and not a fewof them as Projects are on foot it is believed (Concluded on Pourth Page